



May 26, 2004

Glenn Latham, Administrator
State of Alabama
Alabama Credit Union Administration
1789 Congr. W.M. L. Dickinson Drive
Montgomery, AL 36130

Dear Mr. Latham:

Regarding: Collection of HMDA Data

We were notified by our central office that a significant number of credit unions were late in filing their HMDA data. In addition, almost 80 percent of those credit unions submitting HMDA data had one or more Loan Application Registers (LARs) with errors. Of the 992,670 individual LARs filed by credit unions, approximately 10.4 percent (103,608) contained one or more errors. The majority of these errors (70,210) pertained to inaccurate information regarding Metropolitan Areas.

We have sent initial reminder and warning letters to those federal credit unions in this region with HMDA reporting problems (see the enclosed items). The potential exists for assessing civil money penalties when a credit union files late. We would appreciate your assistance to ensure that all Alabama chartered credit unions, required to file HMDA reports, do so in a timely manner. For your information, we have attached a list of the Alabama credit unions which were late in reporting for the 2003 cycle.

If you or your staff have any questions about the information contained in this letter, or its enclosures, please contact the Division of Supervision in this office.

Sincerely,


Alonzo A. Swann III
Regional Director

DOS/MCG:mcg
SSIC# 3330.1
Enclosures

cc: SE O'Harrow

May 26, 2004

[Chairperson]
[Credit Union Name]
[Address]
[City], [State] [Zip]

Dear Board of Directors:

Credit unions that make or purchase home mortgage loans are required to comply with the Home Mortgage Disclosure Act (HMDA). HMDA was enacted by Congress in 1975 and is implemented by the Federal Reserve Board's Regulation C. HMDA data is collected throughout the calendar year, and it must be reported to the Federal Reserve Board by March 1st, following the end of a year.

For the 2003 reporting year, your credit union was required to submit accurate and properly formatted HMDA data by March 1, 2004. Your credit union did not meet this deadline. The Federal Reserve Board (FRB) has informed me that your HMDA information was accepted [number] days after the deadline.

This is an unacceptable delay.

NCUA has the authority to assess civil money penalties for late submissions of HMDA data. Please be advised this letter constitutes an initial warning. While I do not plan to assess penalties for the late submission of your 2003 HMDA data, your credit union will be considered for late filing civil money penalties if you fail to meet the March 1, 2005, filing deadline for 2004 HMDA data.

To ensure timely filing in 2005, I encourage you to submit your 2004 data to the FRB using email and to file early. Early filing provides you with the opportunity to correct and resubmit your HMDA data file before the March 1st deadline, if the FRB rejects the file due to improper format or other errors.

As a reminder, credit unions must update Loan Application Registers on a quarterly or more frequent basis. Upon request, your credit union should be able to show examination staff a correctly completed Loan Application Register, which contains all of the new data fields required for 2004 and is current through the most recent quarter-end.

I encourage you to review Regulatory Alert 04-RA-02, *Regulation C (Home Mortgage Disclosure Act)*, for an overview of HMDA data reporting requirements, familiarize yourself with Regulation C, and meet the filing deadline for 2004 HMDA data submission. If you have questions about how to complete the HMDA Loan Application Register, please contact your district examiner or [enter analyst name] of my office at [enter telephone number].

Sincerely

Enter Appropriate Name]
Regional Director

May 26, 2004

[Chairperson]
[Credit Union Name]
[Address]
[City], [State] [Zip]

Dear Board of Directors:

This is a Preliminary Warning Letter. A Preliminary Warning Letter is a procedure this office follows prior to the National Credit Union Administration taking administrative enforcement action against you under Section 206 of the Federal Credit Union Act.

The purpose of the letter is to inform you of the failure to promptly submit accurate and properly formatted data as required by the Home Mortgage Disclosure Act (HMDA). A summary of this failure follows:

For the 2003 reporting year, your credit union was required to submit accurate and properly formatted HMDA data by March 1, 2004. Your credit union did not meet this deadline. The Federal Reserve Board (FRB) has informed me that your HMDA information was accepted [*number*] days after the deadline.

This is an unacceptable delay.

NCUA has the authority to assess civil money penalties for late submissions of HMDA data. I encourage you to review Regulatory Alert 04-RA-02, *Regulation C (Home Mortgage Disclosure Act)*, for an overview of HMDA data reporting requirements and otherwise familiarize yourself with Regulation C, which implements HMDA.

To continue serving your members by offering mortgage loans, you must be in compliance with the Home Mortgage Disclosure Act, as implemented by Regulation C. Therefore, on or before August 31, 2004, provide me with a board approved plan outlining the actions you have taken and will take to ensure your credit union meets the March 1, 2005 filing deadline for 2004 HMDA data.

I will take the next step in the administrative enforcement process if:

- You do not reply timely to this Preliminary Warning Letter.
- Your plan is inadequate.
- You fail to meet the March 1, 2005 filing deadline for the submission of acceptable 2004 HMDA data to the Federal Reserve Board.

As a reminder, credit unions must update Loan Application Registers on a quarterly or more frequent basis. Upon request, your credit union should be able to show examination staff a correctly completed Loan Application Register, which contains all of the new data fields required for 2004 and is current through the most recent quarter-end.

To ensure timely filing in 2005, I encourage you to submit your 2004 data to the FRB using email and to file early. Early filing provides you with the opportunity to correct and resubmit your HMDA data file before the March 1st deadline, if the FRB rejects the file due to improper format or other errors.

Your examiner is available to assist you. If you have questions of this office, **[enter name]** is your contact person at **[enter telephone number]**.

Sincerely

[Enter Appropriate Name]
Regional Director